

THE GREAT INFLATION DEBATE & PRECIOUS METAL PRICE DISTORTION

written by Egon von Greyerz | February 5, 2021

In this 17-minute MAMChat, Matterhorn principals Egon von Greyerz and Matthew Piepenburg discuss the “great inflation debate” and the ongoing as well as open secret of price manipulation in the paper gold & silver markets.

Matthew addresses the key tailwinds behind the case for deflation as well as the unfolding trend toward inflationary conditions. Toward this end, he addresses the actual rather than distorted implications behind the CPI data as well as inflationary trends out of China’s supply chain. Ultimately, the inflation case centers around extreme currency creation from central banks, who are pivoting from direct lending to direct spending, all of which point toward increased money velocity and inevitable inflation.

Gold, of course, has been rising even in a deflationary background, and will fair even better as inflation unfolds. Either way, deflation or inflation, the cat is out of the bag as to currency debasement as more investors recognize the limits of central bank miracle solutions.

The global banks fear rising gold prices as evidence of their failed monetary experiments. Their efforts to artificially control the price of gold and silver in the paper and futures markets are thus desperate attempts to curtail gold and silver’s natural price growth.

Toward this end, Egon sheds greater light on the mechanizations employed by the major players in the futures market and gold trade to distort natural price discovery in the precious metals space. Ultimately, informed investors in physical gold and silver can avoid anxiety and ensure wealth preservation by holding physical assets which stand the test of time (as well as headlines) in a global fiat system losing credibility by the day.